

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**HB 2566 - SB 2648**

March 15, 2022

**SUMMARY OF BILL:** Increases the net book value limitation from \$2,500,000 to \$3,500,000 of qualified headquarters property that an association captive insurance company may hold.

**FISCAL IMPACT:**

**NOT SIGNIFICANT**

Assumptions:

- Pursuant to Tenn. Code Ann. § 56-13-102(3)(B), the provisions of this legislation are applicable to the following associations of an association captive insurance company:
  - A not-for-profit corporation, nonprofit association, or similar nonprofit organization;
  - An entity or organization exempt from taxation under 501(c) of the Internal Revenue Code (26 U.S.C. 501(c)); or
  - A municipality, metropolitan government, county, authority, utility district or other public body generally classified as a governmental body or governmental entity, whether organized by private act or public act of the general assembly, or any agency, board, or commission of any municipality, metropolitan government, county, authority, utility district or other public body generally classified as a governmental body or governmental entity.
- Pursuant to Tenn. Code Ann. § 56-13-111(d)(2), qualified headquarter properties include:
  - The real property and the building in which the principal office of the association captive insurance company is located.
  - Any improved and unimproved real property of the association captive insurance company that is located within 1,500 feet of the company's principal office.
- The increase in the net book value will not impact the operations or regulations required of the Department of Commerce and Insurance.
- The proposed legislation will not result in a significant impact to state or local government.

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**IMPACT TO COMMERCE:**

**NOT SIGNIFICANT**

Assumption:

- No significant impact to commerce or jobs in Tennessee.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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